

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

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**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED JUNE 30, 2018**

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 226  
Meade, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 226 and its related municipal entity, the Meade District Recreation Commission (collectively referred to as the Municipal Financial Reporting Entity), as of and for the year ended June 30, 2018, and the related notes to the financial statement.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statement is prepared by the Municipal Financial Reporting Entity on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Municipal Financial Reporting Entity as of June 30, 2018, or changes in financial position and cash flows thereof for the year then ended.

## **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Municipal Financial Reporting Entity as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

## **Other Matters**

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, schedule of regulatory basis receipts and disbursements – agency funds, and schedule of regulatory basis receipts and expenditures – actual and budget of the related municipal entity (Schedules 1, 2, 3, 4, and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Municipal Financial Reporting Entity as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated February 8, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2018 (Schedules 2 and 5 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2017, on the basis of accounting described in Note A.

*Kennedy McKee & Company LLP*

February 27, 2019

**UNIFIED SCHOOL DISTRICT NO. 226**  
**MEADE, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2018

<u>Funds</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>	<u>Receipts</u>
General funds:			
General	\$ 680	\$ -	\$ 3,053,094
Supplemental general	116,944	-	1,093,111
Total general funds	<u>117,624</u>	<u>-</u>	<u>4,146,205</u>
Special purpose funds:			
At risk (4 year old)	25,000	-	23,727
At risk (K-12)	108,000	-	329,020
Bilingual	25,000	-	27,275
Capital outlay	386,388	-	598,367
Driver training	6,541	-	6,348
Food service	25,000	-	331,635
Professional development	15,000	-	41,319
Special education	112,000	-	445,857
Career & postsecondary education	55,000	-	74,952
KPERs special retirement contribution	-	-	337,128
Recreation commission	26,173	-	62,392
Contingency reserve	280,000	-	175,108
Textbook and student materials revolving	12,361	-	35,807
REAP	-	-	32,674
Title I	-	-	51,574
Title IIA	-	-	10,043
Title IV	-	-	1,446
Gifts and donations	2,408	-	9,483
Roy and Laura Whitehead scholarship	2,133,273	-	22,077
District activity funds	19,270	-	74,073
Total special purpose funds	<u>3,231,414</u>	<u>-</u>	<u>2,690,305</u>
Bond and interest fund:			
Bond and interest	<u>661,704</u>	<u>-</u>	<u>309,600</u>
Total Unified School District No. 226	4,010,742	-	7,146,110
Related municipal entity:			
Meade District Recreation Commission:			
General	<u>297,801</u>	<u>-</u>	<u>64,500</u>
Total municipal financial reporting entity	<u>\$ 4,308,543</u>	<u>\$ -</u>	<u>\$ 7,210,610</u>

<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 3,053,774	\$ -	\$ -	\$ -
1,113,883	96,172	2,233	98,405
<u>4,167,657</u>	<u>96,172</u>	<u>2,233</u>	<u>98,405</u>
25,927	22,800	-	22,800
312,020	125,000	-	125,000
22,275	30,000	-	30,000
518,686	466,069	16,000	482,069
5,033	7,856	-	7,856
321,635	35,000	-	35,000
26,319	30,000	-	30,000
427,857	130,000	-	130,000
69,952	60,000	-	60,000
337,128	-	-	-
60,000	28,565	-	28,565
155,230	299,878	-	299,878
23,168	25,000	-	25,000
32,674	-	-	-
51,574	-	-	-
10,043	-	-	-
1,446	-	-	-
1,095	10,796	-	10,796
14,424	2,140,926	-	2,140,926
71,505	21,838	-	21,838
<u>2,487,991</u>	<u>3,433,728</u>	<u>16,000</u>	<u>3,449,728</u>
<u>373,490</u>	<u>597,814</u>	<u>-</u>	<u>597,814</u>
7,029,138	4,127,714	18,233	4,145,947
<u>41,278</u>	<u>321,023</u>	<u>1,022</u>	<u>322,045</u>
<u>\$ 7,070,416</u>	<u>\$ 4,448,737</u>	<u>\$ 19,255</u>	<u>\$ 4,467,992</u>

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2018

	<u>Ending cash balance</u>
Composition of cash balance:	
Petty cash checking	\$ 1,500
Money market checking	1,081,686
Activity funds - money market	11,876
Activity funds - checking	42,387
Certificates of deposit	900,000
Scholarship fund checking	13,691
Scholarship fund certificate of deposit	<u>2,127,235</u>
Total Unified School District No. 226	4,178,375
Agency funds	<u>(32,428)</u>
Total Unified School District No. 226 (excluding agency funds)	4,145,947
Related municipal entity:	
Meade District Recreation Commission	<u>322,045</u>
Total reporting entity (excluding agency funds)	<u><u>\$ 4,467,992</u></u>

The notes to the financial statement are an integral part of this statement.



**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

June 30, 2018

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

**1. Municipal Financial Reporting Entity**

Unified School District No. 226 is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 226 (the Municipality) and its related municipal entity. The related municipal entity is included in the District's reporting entity because it was established to benefit the District and/or its constituents.

**Meade District Recreation Commission.** The Commission oversees recreational activities. Two of the five members of the governing board of the Commission are appointed by the Board of Education, two by the City Council, with one at-large member. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

**2. Basis of Presentation – Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2018:

**REGULATORY BASIS FUND TYPES**

General funds – the chief operating funds. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies and transfers from other funds) and payment of general long-term debt.

Agency funds – used to report assets held by the municipal reporting entity in a purely custodial capacity (student organization funds).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special purpose funds (unless specifically exempted by statute), and bond and interest fund. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding fiscal year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The budgets of the following funds were amended:

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
General	\$ 2,960,033	\$ 3,095,036
Special Education	541,800	578,200

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the following special purpose funds:

- Contingency reserve
- Textbook and student materials revolving
- Federal grants
- Gifts and donations
- Roy and Laura Whitehead scholarship
- District activity

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

### 5. In-Substance Receipt in Transit

The District received \$170,573 subsequent to June 30, 2018 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

## B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, the State Department of Education, and legal representatives of the District.

K.S.A. 10-130 requires that municipalities remit payments for any bonds or interest to the state fiscal agent at least twenty days before the date of maturity. One payment was not made in accordance with this statute.

## C. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

## C. DEPOSITS AND INVESTMENTS (CONTINUED)

*Custodial credit risk - deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$4,178,375 and the bank balance was \$4,274,154. Of the bank balance, \$250,000 was covered by federal depository insurance and \$4,024,154 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

## D. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2018, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation refunding bonds:					
School building bonds – Series 2012					
Issued April 5, 2012					
In the amount of \$3,810,000					
At interest rates of 2.00% to 3.00%					
Maturing September 1, 2025	<u>\$ 3,145,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 2,845,000</u>	<u>\$ 73,470</u>
Capital leases:					
Track					
Issued April 22, 2014					
In the amount of \$130,000					
At interest rate of 3.15%					
Maturing June 30, 2018	34,224	-	34,224	-	1,078
Bus					
Issued January 21, 2016					
In the amount of \$45,000					
At interest rate of 3.00%					
Maturing January 1, 2020	34,242	-	11,079	23,163	1,024
Activity Bus					
Issued February 1, 2017					
In the amount of \$92,575					
At interest rate of 3.00%					
Maturing February 1, 2021	<u>72,953</u>	<u>-</u>	<u>17,440</u>	<u>55,513</u>	<u>2,181</u>
Total capital leases	<u>141,419</u>	<u>-</u>	<u>62,743</u>	<u>78,676</u>	<u>4,283</u>
Termination benefits:					
Early retirement payable	<u>70,875</u>	<u>-</u>	<u>28,250</u>	<u>42,625</u>	<u>-</u>
Total long-term debt	<u>\$3,357,294</u>	<u>\$ -</u>	<u>\$ 390,993</u>	<u>\$2,966,301</u>	<u>\$ 79,934</u>

#### D. LONG-TERM DEBT (CONTINUED)

Current maturities of general obligation bonds and interest for the next five years and through maturity are as follows:

	Principal due	Interest due	Total due
2019	\$ 310,000	\$ 65,820	\$ 375,820
2020	325,000	56,295	381,295
2021	335,000	46,395	381,395
2022	350,000	37,870	387,870
2023	360,000	30,545	390,545
2024 - 2026	<u>1,165,000</u>	<u>41,330</u>	<u>1,206,330</u>
Total	<u>\$ 2,845,000</u>	<u>\$ 278,255</u>	<u>\$ 3,123,255</u>

Current maturities of capital leases and interest through maturity are as follows:

	Principal due	Interest due	Total due
2019	\$ 29,372	\$ 2,352	\$ 31,724
2020	30,251	1,475	31,726
2021	<u>19,053</u>	<u>570</u>	<u>19,623</u>
Total	<u>\$ 78,676</u>	<u>\$ 4,397</u>	<u>\$ 83,073</u>

*Voluntary early retirement program.* Certified personnel may voluntarily elect to retire early. Qualifying personnel must be 61 years old or more on August 31 of the retiring year, have at least fifteen years of service with the school district, and be fully vested in KPERS. The annual rate of retirement compensation is twenty percent of the District's base salary in the year of retirement. Benefits end after five years or when the retiree reaches age 65, whichever comes first.

Current maturities of the voluntary early retirement program are as follows:

2019	\$ 21,285
2020	14,220
2021	<u>7,120</u>
Total	<u>\$ 42,625</u>

#### E. OPERATING LEASES

The District has entered into operating lease agreements for copy machines and postage meters. The annual lease payments for the year ended June 30, 2018 were \$18,003. The following is a yearly schedule of future minimum rental payments under the operating leases:

2019	\$ 18,859
2020	17,171
2021	<u>1,696</u>
Total	<u>\$ 37,726</u>

## F. INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Statutory authority</u>
General fund	At risk (K-12) fund	\$ 140,000	K.S.A. 72-5167
General fund	Capital outlay fund	26,606	K.S.A. 72-5167
General fund	Food service fund	72,432	K.S.A. 72-5167
General fund	Special education fund	288,424	K.S.A. 72-5167
General fund	Contingency reserve fund	175,108	K.S.A. 72-5167
Total general fund		<u>702,570</u>	
Supplemental general fund	At risk (4 year old) fund	21,987	K.S.A. 72-5143
Supplemental general fund	At risk (K-12) fund	189,020	K.S.A. 72-5143
Supplemental general fund	Bilingual fund	27,275	K.S.A. 72-5143
Supplemental general fund	Food service fund	16,130	K.S.A. 72-5143
Supplemental general fund	Professional development fund	36,930	K.S.A. 72-5143
Supplemental general fund	Special education fund	147,850	K.S.A. 72-5143
Supplemental general fund	Career & postsecondary education fund	74,952	K.S.A. 72-5143
Supplemental general fund	Textbook and student materials revolving fund	17,437	K.S.A. 72-5143
Total supplemental general fund		<u>531,581</u>	
Total operating transfers		<u>\$ 1,234,151</u>	

## G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Other Post-Employment Benefits.* As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

*Section 125 Plan.* The District offers a Section 125 flexible benefit plan to all eligible employees. It is used for medical insurance premiums, unreimbursed medical expenses, and childcare expenses. The plan is administered by the health insurance provider. The District withholds the amounts from the employee's paychecks and remits the withholding to the plan administrator.

*Compensated Absences.* The District's policies regarding vacation permit an annual vacation of two weeks with pay to those employees assigned to twelve-month positions. The Superintendent is entitled to an annual vacation of one month. Policies prohibit payment for vacation time in lieu of time off. Sick leave for all employees may be accumulated at the rate of ten days per year up to a total accumulation of sixty days. An amount is paid in August to teachers for any accumulation beyond sixty days at \$30 per day. In the event of death, resignation, or termination of employment for all employees, unused vacation time and accumulated sick leave are lost. Upon retirement after twenty years of employment by the District, a teacher may be reimbursed for up to thirty days of the teacher's accumulated and unused sick leave at a rate of \$30 per day.

## H. DEFINED BENEFIT PENSION PLAN

### General Information about the Pension Plan

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org), by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603), or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30<sup>th</sup> was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$337,128 for the year ended June 30, 2018.

## H. DEFINED BENEFIT PENSION PLAN (CONTINUED)

### Net Pension Liability

At June 30, 2017, the District's proportionate share of the collective net pension liability reported by KPERS was \$3,885,579. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## I. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and State pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the District at June 30, 2018.

## J. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters, and medical needs of employees. The District has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the District has joined together with other school districts in the State to participate in the Kansas Association of School Boards Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The District pays an annual premium to the Kansas Association of School Boards for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Workers Compensation fund will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards management.

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.



## K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 27, 2019, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018

<u>Funds</u>	<u>Certified budget</u>	<u>Adjustment to comply with legal maximum budget</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General funds:					
General	\$ 3,095,036	\$ (41,262)	\$ 3,053,774	\$ 3,053,774	\$ -
Supplemental general	1,113,883	-	1,113,883	1,113,883	-
Special purpose funds:					
At risk (4 year old)	29,000	-	29,000	25,927	3,073
At risk (K-12)	338,000	-	338,000	312,020	25,980
Bilingual	28,000	-	28,000	22,275	5,725
Capital outlay	916,901	-	916,901	518,686	398,215
Driver training	10,681	-	10,681	5,033	5,648
Food service	324,590	-	324,590	321,635	2,955
Professional development	26,450	-	26,450	26,319	131
Special education	578,200	-	578,200	427,857	150,343
Career & postsecondary education	90,500	-	90,500	69,952	20,548
KPERS special retirement contribution	342,836	-	342,836	337,128	5,708
Recreation commission	60,000	-	60,000	60,000	-
Bond and interest fund:					
Bond and interest	377,470	-	377,470	373,490	3,980
Total Unified School District No. 226	7,331,547	(41,262)	7,290,285	6,667,979	622,306
Related municipal entity:					
Meade District Recreation Commission:					
General	86,850	-	86,850	41,278	45,572
Total municipal financial reporting entity	<u>\$ 7,418,397</u>	<u>\$ (41,262)</u>	<u>\$ 7,377,135</u>	<u>\$ 6,709,257</u>	<u>\$ 667,878</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226**  
**MEADE, KANSAS**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
State aid:				
Equalization aid	\$ 2,585,385	\$ 2,756,567	\$ 2,753,156	\$ 3,411
Special education aid	296,854	288,424	336,200	(47,776)
Mineral production tax	6,836	8,103	5,000	3,103
KPERS state aid	221,900	-	-	-
Interest	12,181	-	-	-
Total receipts	<u>3,123,156</u>	<u>3,053,094</u>	<u>\$ 3,094,356</u>	<u>\$ (41,262)</u>
Expenditures:				
Instruction	1,636,648	1,667,755	\$ 1,799,460	\$ 131,705
Student support services	21,536	22,837	28,379	5,542
Instructional support staff	63,422	62,269	64,357	2,088
General administration	175,779	180,769	227,893	47,124
School administration	190,542	209,503	205,682	(3,821)
Central services	3,000	2,559	22,282	19,723
Operations and maintenance	1,685	1,665	4,500	2,835
Student transportation services	153,548	182,214	201,283	19,069
Other support services	23,872	21,633	-	(21,633)
Transfers to other funds	852,599	702,570	541,200	(161,370)
Adjustment to comply with legal maximum budget	<u>-</u>	<u>-</u>	<u>(41,262)</u>	<u>(41,262)</u>
Total expenditures	<u>3,122,631</u>	<u>3,053,774</u>	<u>\$ 3,053,774</u>	<u>\$ -</u>
Receipts over (under) expenditures	525	(680)		
Unencumbered cash, beginning of year	<u>155</u>	<u>680</u>		
Unencumbered cash, end of year	<u>\$ 680</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**SUPPLEMENTAL GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	\$ -	\$ 8,493	\$ 6,283	\$ 2,210
Current tax	1,165,628	1,060,627	1,004,202	56,425
Delinquent tax	1,603	6,078	8,324	(2,246)
Motor vehicle tax	26,883	17,326	16,398	928
Recreational vehicle tax	448	465	355	110
Other	-	122	-	122
Total receipts	<u>1,194,562</u>	<u>1,093,111</u>	<u>\$ 1,035,562</u>	<u>\$ 57,549</u>
Expenditures:				
Instruction	121,123	122,440	\$ 204,850	\$ 82,410
Instructional support staff	-	2,348	-	(2,348)
General administration	8,605	8,682	10,441	1,759
School administration	17,283	16,805	26,400	9,595
Operations and maintenance	419,693	432,027	560,192	128,165
Transfers to other funds	<u>571,775</u>	<u>531,581</u>	<u>312,000</u>	<u>(219,581)</u>
Total expenditures	<u>1,138,479</u>	<u>1,113,883</u>	<u>\$ 1,113,883</u>	<u>\$ -</u>
Receipts over (under) expenditures	56,083	(20,772)		
Unencumbered cash, beginning of year	60,494	116,944		
Prior year canceled encumbrances	<u>367</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 116,944</u>	<u>\$ 96,172</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**AT RISK (4 YEAR OLD) FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Federal aid	\$ -	\$ 1,740	\$ 4,000	\$ (2,260)
Transfers:				
General fund	12,465	-	-	-
Supplemental general fund	10,620	21,987	-	21,987
Total receipts	<u>23,085</u>	<u>23,727</u>	<u>\$ 4,000</u>	<u>\$ 19,727</u>
Expenditures:				
Instruction	22,085	24,187	\$ 29,000	\$ 4,813
Refund to state	-	1,740	-	(1,740)
Total expenditures	<u>22,085</u>	<u>25,927</u>	<u>\$ 29,000</u>	<u>\$ 3,073</u>
Receipts over (under) expenditures	1,000	(2,200)		
Unencumbered cash, beginning of year	<u>24,000</u>	<u>25,000</u>		
Unencumbered cash, end of year	<u>\$ 25,000</u>	<u>\$ 22,800</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**AT RISK (K-12) FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		
	2017	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfers:				
General fund	\$ 105,000	\$ 140,000	\$ 200,000	\$ (60,000)
Supplemental general fund	205,008	189,020	30,000	159,020
Total receipts	<u>310,008</u>	<u>329,020</u>	<u>\$ 230,000</u>	<u>\$ 99,020</u>
Expenditures:				
Instruction	283,710	289,480	\$ 310,404	\$ 20,924
Student support services	125	519	5,326	4,807
School administration	22,173	22,021	22,270	249
Total expenditures	<u>306,008</u>	<u>312,020</u>	<u>\$ 338,000</u>	<u>\$ 25,980</u>
Receipts over (under) expenditures	4,000	17,000		
Unencumbered cash, beginning of year	<u>104,000</u>	<u>108,000</u>		
Unencumbered cash, end of year	<u>\$ 108,000</u>	<u>\$ 125,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**BILINGUAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Transfers:				
Supplemental general fund	\$ 18,040	\$ 27,275	<u>\$ 3,000</u>	<u>\$ 24,275</u>
Expenditures:				
Instruction	<u>13,040</u>	<u>22,275</u>	<u>\$ 28,000</u>	<u>\$ 5,725</u>
Receipts over (under) expenditures	5,000	5,000		
Unencumbered cash, beginning of year	<u>20,000</u>	<u>25,000</u>		
Unencumbered cash, end of year	<u>\$ 25,000</u>	<u>\$ 30,000</u>		

See Independent Auditor's Report.



**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**CAPITAL OUTLAY FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	\$ 3,198	\$ 3,241	\$ 2,398	\$ 843
Current tax	444,790	471,894	446,819	25,075
Delinquent tax	1,396	2,432	3,176	(744)
Motor vehicle tax	17,519	20,933	37,312	(16,379)
Recreational vehicle tax	381	434	808	(374)
Other	9,233	72,827	40,000	32,827
Transfers:				
General fund	-	26,606	-	26,606
Total receipts	<u>476,517</u>	<u>598,367</u>	<u>\$ 530,513</u>	<u>\$ 67,854</u>
Expenditures:				
Instruction	177,744	276,267	\$ 385,000	\$ 108,733
Student support services	-	-	25,000	25,000
General administration	-	3,074	-	(3,074)
Operations and maintenance	114,925	84,591	206,962	122,371
Student transportation services	25,225	31,725	125,000	93,275
Facility acquisition and construction service	<u>126,248</u>	<u>123,029</u>	<u>174,939</u>	<u>51,910</u>
Total expenditures	<u>444,142</u>	<u>518,686</u>	<u>\$ 916,901</u>	<u>\$ 398,215</u>
Receipts over (under) expenditures	32,375	79,681		
Unencumbered cash, beginning of year	352,918	386,388		
Prior year canceled encumbrances	<u>1,095</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 386,388</u>	<u>\$ 466,069</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**DRIVER TRAINING FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		
	2017	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	\$ 2,816	\$ 2,048	\$ 2,520	\$ (472)
Other	2,395	4,300	1,620	2,680
Total receipts	5,211	6,348	\$ 4,140	\$ 2,208
Expenditures:				
Instruction	4,400	5,033	\$ 6,512	\$ 1,479
Vehicle operating maintenance	219	-	4,169	4,169
Total expenditures	4,619	5,033	\$ 10,681	\$ 5,648
Receipts over (under) expenditures	592	1,315		
Unencumbered cash, beginning of year	5,949	6,541		
Unencumbered cash, end of year	\$ 6,541	\$ 7,856		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**FOOD SERVICE FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Federal aid	\$ 100,227	\$ 125,626	\$ 95,510	\$ 30,116
State aid	1,886	2,304	1,740	564
Charges for services	83,647	91,695	95,340	(3,645)
Interest	-	22,998	12,000	10,998
Other	350	450	-	450
Transfers:				
General fund	45,000	72,432	5,000	67,432
Supplemental general fund	68,807	16,130	90,000	(73,870)
Total receipts	<u>299,917</u>	<u>331,635</u>	<u>\$ 299,590</u>	<u>\$ 32,045</u>
Expenditures:				
Operations and maintenance	13,000	11,000	\$ 13,000	\$ 2,000
Food service operations	<u>285,917</u>	<u>310,635</u>	<u>311,590</u>	<u>955</u>
Total expenditures	<u>298,917</u>	<u>321,635</u>	<u>\$ 324,590</u>	<u>\$ 2,955</u>
Receipts over (under) expenditures	1,000	10,000		
Unencumbered cash, beginning of year	<u>24,000</u>	<u>25,000</u>		
Unencumbered cash, end of year	<u>\$ 25,000</u>	<u>\$ 35,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**PROFESSIONAL DEVELOPMENT FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
State aid	\$ -	\$ 4,389	\$ 2,450	\$ 1,939
Other	3,198	-	-	-
Transfers:				
General fund	2,000	-	-	-
Supplemental general fund	12,427	36,930	9,000	27,930
Total receipts	17,625	41,319	<u>\$ 11,450</u>	<u>\$ 29,869</u>
Expenditures:				
Instructional support staff	14,625	26,319	<u>\$ 26,450</u>	<u>\$ 131</u>
Receipts over (under) expenditures	3,000	15,000		
Unencumbered cash, beginning of year	12,000	15,000		
Unencumbered cash, end of year	<u>\$ 15,000</u>	<u>\$ 30,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**SPECIAL EDUCATION FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Federal aid	\$ -	\$ 2,022	\$ -	\$ 2,022
Other	-	7,561	-	7,561
Transfers:				
General fund	296,854	288,424	336,200	(47,776)
Supplemental general fund	160,226	147,850	130,000	17,850
Total receipts	<u>457,080</u>	<u>445,857</u>	<u>\$ 466,200</u>	<u>\$ (20,343)</u>
Expenditures:				
Instruction	439,849	420,598	\$ 553,700	\$ 133,102
Vehicle operating service	15,646	7,259	24,500	17,241
Total expenditures	<u>455,495</u>	<u>427,857</u>	<u>\$ 578,200</u>	<u>\$ 150,343</u>
Receipts over (under) expenditures	1,585	18,000		
Unencumbered cash, beginning of year	<u>110,415</u>	<u>112,000</u>		
Unencumbered cash, end of year	<u>\$ 112,000</u>	<u>\$ 130,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**CAREER & POSTSECONDARY EDUCATION FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
State aid	\$ 2,555	\$ -	\$ -	\$ -
Other	-	-	10,500	(10,500)
Transfers:				
Supplemental general fund	72,651	74,952	25,000	49,952
Total receipts	75,206	74,952	\$ 35,500	\$ 39,452
Expenditures:				
Instruction	70,206	69,952	\$ 89,300	\$ 19,348
Student transportation services	-	-	1,200	1,200
Total expenditures	70,206	69,952	\$ 90,500	\$ 20,548
Receipts over (under) expenditures	5,000	5,000		
Unencumbered cash, beginning of year	50,000	55,000		
Unencumbered cash, end of year	\$ 55,000	\$ 60,000		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**KPERS SPECIAL RETIREMENT CONTRIBUTION FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
State aid	\$ -	\$ 337,128	\$ 342,836	\$ (5,708)
Transfer from general fund	221,900	-	-	-
Total receipts	221,900	337,128	\$ 342,836	\$ (5,708)
Expenditures:				
Instruction	151,247	233,057	\$ 204,338	\$ (28,719)
Student support services	1,576	2,427	6,782	4,355
Instructional support staff	4,527	7,012	12,557	5,545
General administration	12,537	18,980	22,507	3,527
School administration	18,728	29,027	31,287	2,260
Central services	266	34	6,789	6,755
Operations and maintenance	17,197	23,970	28,532	4,562
Student transportation services	6,080	9,305	11,896	2,591
Other support services	2,064	2,562	5,627	3,065
Food service operations	7,678	10,754	12,521	1,767
Total expenditures	221,900	337,128	\$ 342,836	\$ 5,708
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**RECREATION COMMISSION FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	\$ 399	\$ 405	\$ 299	\$ 106
Current tax	55,599	59,001	55,859	3,142
Delinquent tax	192	316	398	(82)
Motor vehicle tax	2,191	2,616	783	1,833
Recreational vehicle tax	48	54	17	37
Total receipts	58,429	62,392	<u>\$ 57,356</u>	<u>\$ 5,036</u>
Expenditures:				
Community service operations	60,000	60,000	<u>\$ 60,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	(1,571)	2,392		
Unencumbered cash, beginning of year	<u>27,744</u>	<u>26,173</u>		
Unencumbered cash, end of year	<u>\$ 26,173</u>	<u>\$ 28,565</u>		

See Independent Auditor's Report.



**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**NON-BUDGETED SPECIAL PURPOSE FUNDS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS**

For the Year Ended June 30, 2018

	Contingency reserve	Textbook and student materials revolving	REAP
Receipts:			
Fees	\$ -	\$ 18,070	\$ -
Federal aid	-	-	32,674
Interest	-	-	-
Other	-	300	-
Transfer from general fund	175,108	-	-
Transfer from supplemental general fund	-	17,437	-
	<u>175,108</u>	<u>35,807</u>	<u>32,674</u>
Total receipts	<u>175,108</u>	<u>35,807</u>	<u>32,674</u>
Expenditures:			
Instruction	104,773	23,168	32,674
General administration	9,624	-	-
School administration	7,780	-	-
Operations and maintenance	18,026	-	-
Student transportation services	1,886	-	-
Other support services	2,682	-	-
Food service operations	10,459	-	-
Scholarships	-	-	-
	<u>155,230</u>	<u>23,168</u>	<u>32,674</u>
Total expenditures	<u>155,230</u>	<u>23,168</u>	<u>32,674</u>
Receipts over (under) expenditures	19,878	12,639	-
Unencumbered cash, beginning of year	<u>280,000</u>	<u>12,361</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 299,878</u>	<u>\$ 25,000</u>	<u>\$ -</u>

See Independent Auditor's Report.

Title I	Title IIA	Title IV	Gifts and donations	Roy and Laura Whitehead scholarship	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,070
51,574	10,043	1,446	-	-	95,737
-	-	-	-	22,077	22,077
-	-	-	9,483	-	9,783
-	-	-	-	-	175,108
-	-	-	-	-	17,437
<u>51,574</u>	<u>10,043</u>	<u>1,446</u>	<u>9,483</u>	<u>22,077</u>	<u>338,212</u>
51,574	10,043	1,446	1,095	-	224,773
-	-	-	-	2,000	11,624
-	-	-	-	-	7,780
-	-	-	-	49	18,075
-	-	-	-	-	1,886
-	-	-	-	-	2,682
-	-	-	-	-	10,459
-	-	-	-	12,375	12,375
<u>51,574</u>	<u>10,043</u>	<u>1,446</u>	<u>1,095</u>	<u>14,424</u>	<u>289,654</u>
-	-	-	8,388	7,653	48,558
-	-	-	2,408	2,133,273	2,428,042
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,796</u>	<u>\$ 2,140,926</u>	<u>\$ 2,476,600</u>

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**BOND AND INTEREST FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		
	2017	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	\$ 2,366	\$ 1,646	\$ 1,218	\$ 428
Current tax	225,973	292,288	276,776	15,512
Delinquent tax	1,110	1,426	1,613	(187)
Motor vehicle tax	13,273	13,960	26,160	(12,200)
Recreational vehicle tax	287	280	567	(287)
Total receipts	<u>243,009</u>	<u>309,600</u>	<u>\$ 306,334</u>	<u>\$ 3,266</u>
Expenditures:				
Debt service:				
Principal	290,000	300,000	\$ 300,000	\$ -
Interest	79,370	73,470	73,470	-
Commission and postage	40	20	4,000	3,980
Total expenditures	<u>369,410</u>	<u>373,490</u>	<u>\$ 377,470</u>	<u>\$ 3,980</u>
Receipts over (under) expenditures	(126,401)	(63,890)		
Unencumbered cash, beginning of year	<u>788,105</u>	<u>661,704</u>		
Unencumbered cash, end of year	<u>\$ 661,704</u>	<u>\$ 597,814</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**DISTRICT ACTIVITY FUNDS**

**SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2018

<u>Funds</u>	<u>Beginning unencumbered cash balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
Gate receipts:						
High school:						
Athletics	\$ 3,941	\$ 42,184	\$ 44,400	\$ 1,725	\$ -	\$ 1,725
Sports special	546	1,432	1,680	298	-	298
School play	4,237	19	-	4,256	-	4,256
Forensics	279	1,817	1,490	606	-	606
Elementary school:						
Athletics	646	6,808	6,087	1,367	-	1,367
Subtotal gate receipts	9,649	52,260	53,657	8,252	-	8,252
School projects:						
High school:						
Library	520	3,270	2,655	1,135	-	1,135
Band	509	320	200	629	-	629
Biology class	293	-	-	293	-	293
Concessions set-up	272	535	295	512	-	512
Drivers education	-	50	58	(8)	-	(8)
Special projects	271	1,410	1,513	168	-	168
Scholar's bowl	7	749	129	627	-	627
Scholarship donations	699	-	-	699	-	699
Science club	609	451	167	893	-	893
Yearbook	-	1,530	1,530	-	-	-
Wood shop	1,886	4,515	2,476	3,925	-	3,925
Vocational	-	452	452	-	-	-
Yearbook design	208	203	40	371	-	371
Elementary school:						
Band supplies	-	292	292	-	-	-
Memory book	3,159	896	953	3,102	-	3,102
Music	362	-	-	362	-	362
Library	337	7,140	7,088	389	-	389
Outdoor classroom	489	-	-	489	-	489
Subtotal school projects	9,621	21,813	17,848	13,586	-	13,586
Total district activity funds	<u>\$ 19,270</u>	<u>\$ 74,073</u>	<u>\$ 71,505</u>	<u>\$ 21,838</u>	<u>\$ -</u>	<u>\$ 21,838</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**AGENCY FUNDS**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS**

For the Year Ended June 30, 2018

<u>Funds</u>	<u>Beginning cash balance (deficit)</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student activity funds:				
High school:				
Cheerleaders	\$ 3,068	\$ 9,570	\$ 11,550	\$ 1,088
Basketball - boys	62	2,097	2,005	154
Basketball - girls	722	-	-	722
SWKS Classic BB	372	-	-	372
Volleyball	654	3,122	2,870	906
Dance	234	-	234	-
Football	127	9,058	9,057	128
Cross country	256	401	100	557
Tennis - girls	124	440	542	22
Tennis - boys	153	643	153	643
Golf	186	826	396	616
Track	81	1,101	1,182	-
Graduated class balances	529	-	100	429
Class of 2017	76	44	120	-
Class of 2018	661	1,994	2,101	554
Class of 2019	7,394	945	6,443	1,896
Class of 2020	1,818	2,860	956	3,722
Class of 2021	-	5,107	1,711	3,396
Trap club	934	3,566	1,939	2,561
Kayettes	248	3,741	3,200	789
Key club	968	570	450	1,088
M club	209	270	96	383
Student council	942	1,555	512	1,985
FBLA	1,017	585	15	1,587
Skills USA	6,645	10,006	16,151	500
After prom	(34)	992	958	-
Madrigals	436	500	723	213
National honor society	315	941	997	259
Safe program	-	400	242	158
Art	622	41	150	513
Service learning	83	-	-	83
Concessions	1,677	31,183	32,401	459
Jr. high concessions	58	3,093	2,674	477
Subtotal high school	<u>30,637</u>	<u>95,651</u>	<u>100,028</u>	<u>26,260</u>
Elementary school:				
Cheerleaders	1,920	4,924	5,372	1,472
Pep club	72	-	-	72
Student fund	3,947	1,675	998	4,624
Subtotal elementary school	<u>5,939</u>	<u>6,599</u>	<u>6,370</u>	<u>6,168</u>
Subtotal student organization funds	<u>36,576</u>	<u>102,250</u>	<u>106,398</u>	<u>32,428</u>
Clearing fund:				
Health/life insurance	-	53,725	53,725	-
Total agency funds	<u>\$ 36,576</u>	<u>\$ 155,975</u>	<u>\$ 160,123</u>	<u>\$ 32,428</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226  
MEADE, KANSAS**

**MEADE DISTRICT RECREATION COMMISSION  
(A RELATED MUNICIPAL ENTITY)**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		
	2017	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Appropriation from Unified School District No. 226	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Interest	989	1,140	1,000	140
Other	4,737	3,360	-	3,360
Total receipts	<u>65,726</u>	<u>64,500</u>	<u>\$ 61,000</u>	<u>\$ 3,500</u>
Expenditures:				
Printing/advertising	222	72	\$ 300	\$ 228
Accounting	2,070	1,630	2,000	370
Salaries and taxes	16,952	12,374	16,200	3,826
Administration	1,343	70	1,600	1,530
Insurance	5,302	4,522	6,000	1,478
Baseball activities and improvements	30,653	6,499	13,500	7,001
Basketball activities	6,089	3,695	7,000	3,305
Golf activities	2,250	2,000	2,000	-
Football	4,381	3,378	5,500	2,122
Repairs and maintenance	6,795	962	7,000	6,038
Equipment, building and improvements	-	1,570	8,000	6,430
Donations	3,000	1,300	3,800	2,500
Volleyball activities	4,114	2,480	3,500	1,020
Other activities	3,300	250	5,250	5,000
Miscellaneous	6,891	476	5,200	4,724
Total expenditures	<u>93,362</u>	<u>41,278</u>	<u>\$ 86,850</u>	<u>\$ 45,572</u>
Receipts over (under) expenditures	(27,636)	23,222		
Unencumbered cash, beginning of year	<u>325,437</u>	<u>297,801</u>		
Unencumbered cash, end of year	<u>\$ 297,801</u>	<u>\$ 321,023</u>		

See Independent Auditor's Report.